Employee Sentiment Index

Australia | ELMO Software | January – March 2023

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Summary

Welcome to the latest Employee Sentiment Index, a quarterly look at the state of the nation's workers.

As we near the halfway mark of 2023, the outlook is no more certain than it was three months ago. Economically, Australia is still battling high levels of inflation like many other nations around the globe. This month the Reserve Bank hiked the cash rate again after a brief pause, sending alarm bells ringing for many. It indicates that the economy is not yet in a comfortable position. Against this backdrop, it's no wonder that Australia's employees are feeling the strain.

Our latest Employee Sentiment Index reveals...

- Over half of employees believe the increase in the cost of living is having a negative effect on their mental health and this increases to almost three quarters of female employees.

- Over a third of employees feel they need to work harder or longer to keep their job safe, while more than half have taken on extra responsibility outside of their job description.

- Around a sixth of workers have asked their workplace to cover either their fuel or their meals due to the rise in the cost of living.

- Half of all workers believe their workplace should cover more of their expenses and the younger the employee the higher the level of agreement.

Methodology

The ELMO Employee Sentiment Report was initiated in April 2021 to gain data and insights into the attitudes, actions and concerns of employees. The report provides a quarterly analysis of the prevailing sentiment within the workforce to track changes in perceived job security and the employment landscape, as well as topical issues facing the nation's workers.

For this iteration, respondents were asked to reflect on the three-month period between January 2023 to March 2023.

The research was commissioned by ELMO Software and conducted by Lonergan Research in accordance with the ISO 20252 standard.

Lonergan Research surveyed 1,002 Australian workers aged 18 years and over between 15 March 2022 and 22 March 2022. The research was conducted via a 15-question online survey. Respondents were members of a permission-based panel, geographically dispersed throughout Australia including both capital city and non-capital city areas.

After surveying, data was weighted to the latest population estimates sourced from the Australian Bureau of Statistics.

2023
January - March
Analysis

Perceived security

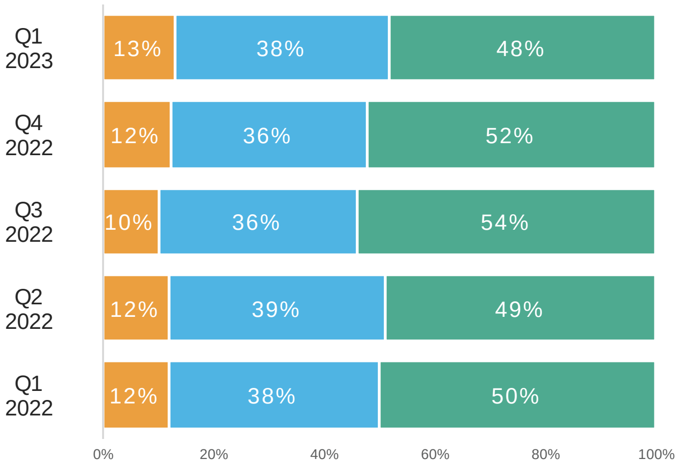
Employees are feeling less secure compared to last quarter across all four areas they were surveyed about.

Importantly, the number of employees who feel the economy is not secure has risen to an all-time high of 40%. Now, only 13% of employees feel confident in the economy.

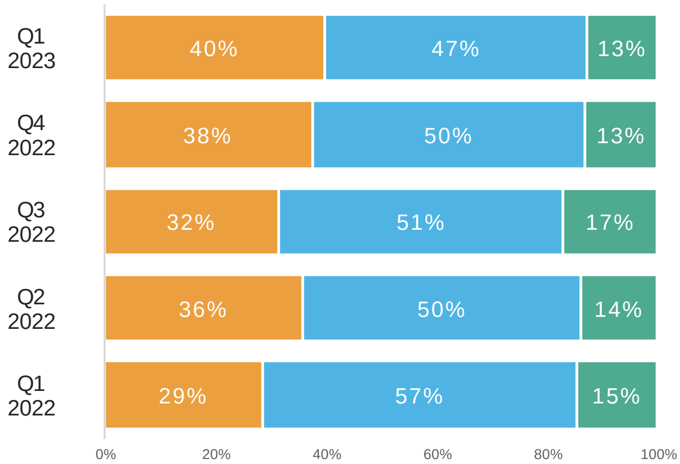
Job security peaks among full time employees, especially those who have an hourly wage (58%, Full time salary 51%; cf. Part time salary 40%, part time hourly wage 43%, Employed away from work 50%*, Casual 29%).

The other notable change related to industry and organisational security, which for the first time in a year have fallen below half of workers feeling secure.

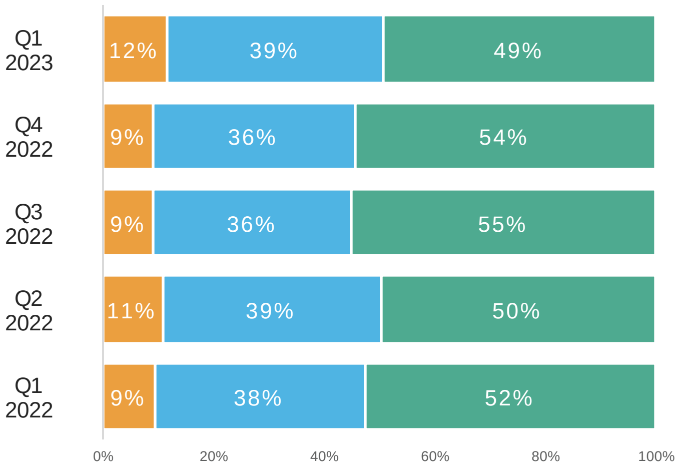
Job Security



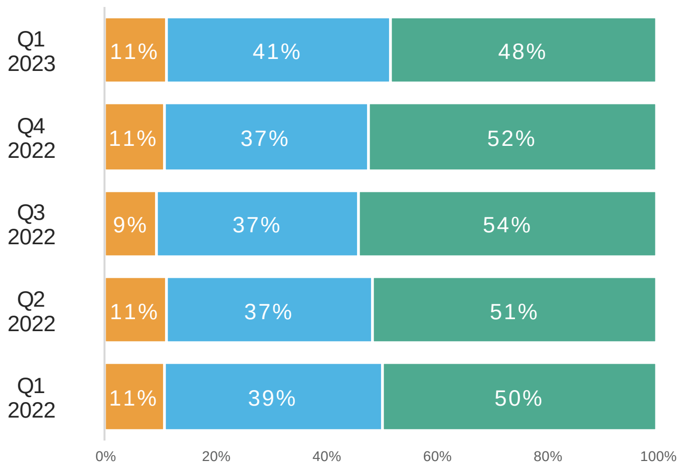
Economic Security



Industry Security



Organisational Security



Not Secure (1-4) Neutral (5-7) Secure (8-10)

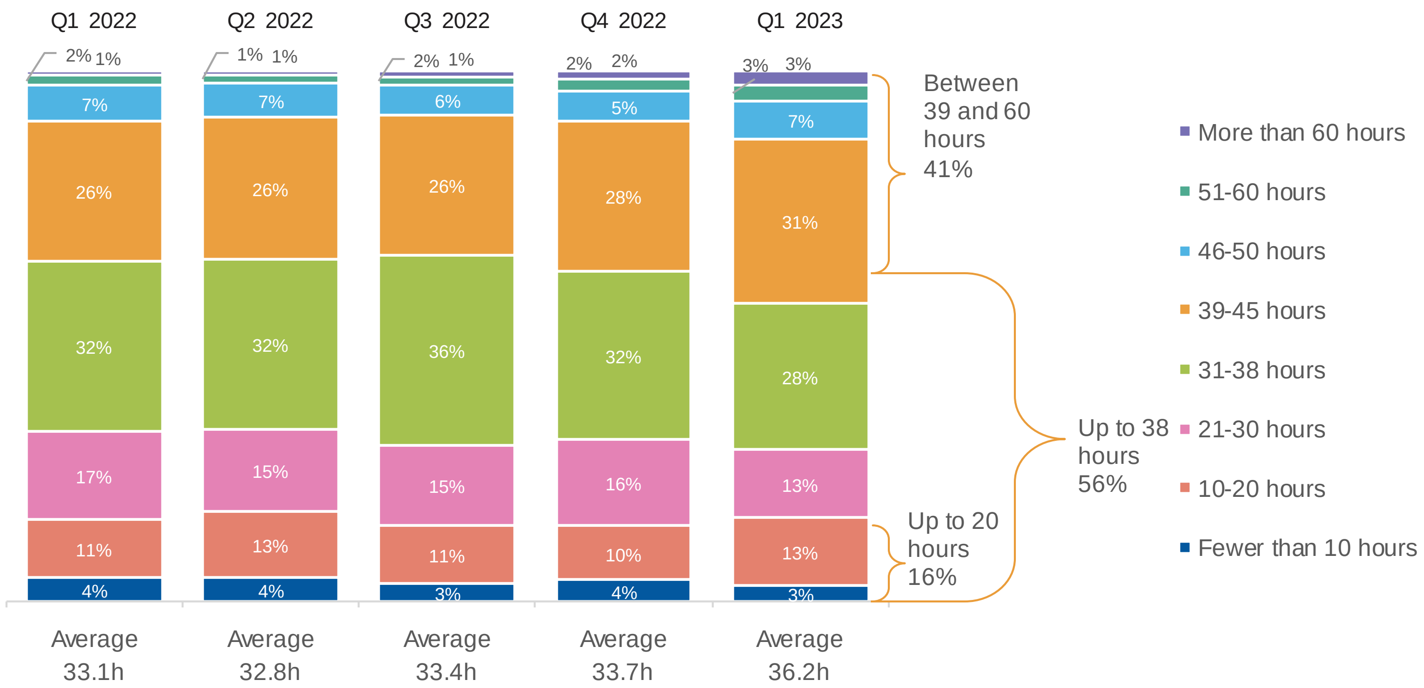
Q4. On a scale of 1 - 10, where 1 is not at all secure and 10 is extremely secure, how would you rate your feelings of security with each of the following?
Australian Workers Q1 2023 (n=1,002) // Q4 2022 (n=1014) // Q3 2022 (n=1000) // Q2 2022 (n = 1037) // Q1 2022 (n = 1016)
*Indicative only due to small sample size

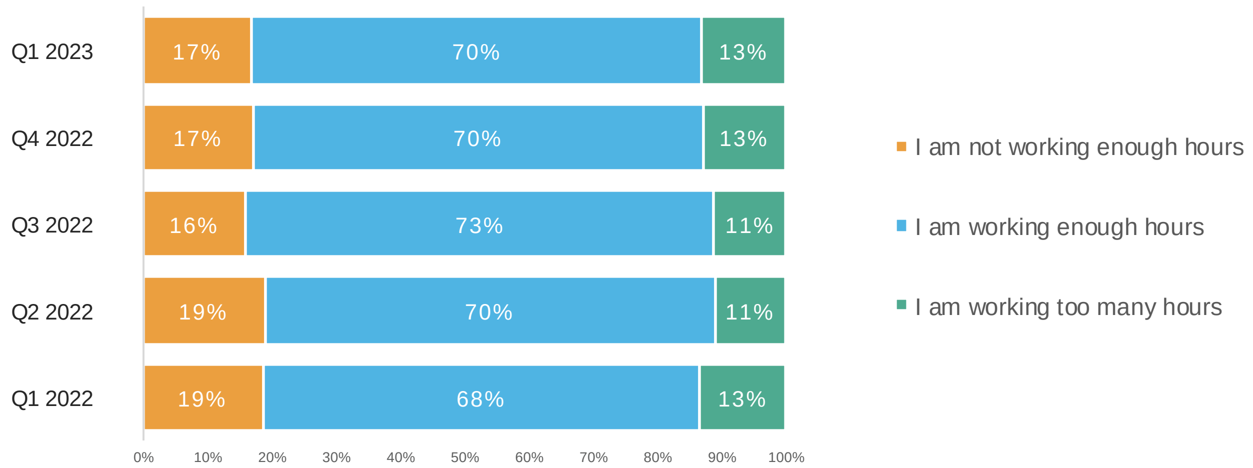
Hours worked

On average Australian employees worked 36.2h, a two and a half hour increase from what it was last quarter. It's interesting to note a sizeable difference between the hours worked by men and women. Male employees work an average of 39 hours per week, compared to 33.2 for women.

It is also worth noting that business owners work an additional seven hours on average every week, almost another working week.

The number of workers who believe they are working enough hours has remained unchanged in this quarter. However, women and Gen Z are the most likely to believe they aren't working enough hours (Female 22%; cf. Male 13%, Gen Z 32%; cf. Millennials 17%, Gen X 14%, Baby Boomers 12%).





Q1. Over the last three months, on average how many hours do you work per week? Australian Workers Q1 2023 (n=1,002) // Q4 2022 (n=1014) // Q3 2022 (n=1000) // Q2 2022 (n = 1037) // Q1 2022 (n = 1016).
*Note: Question format and wording change in Q1 2023 from "Ordinarily, how many hours do you work per week?"
Q2. Over the past three months, which of the following statements best applies to you regarding the hours you worked? Consider your cost of living and your ability to meet those needs based on the number of hours you work. Australian Workers Q1 2023 (n=1,002) // Q4 2022 (n=1014) // Q3 2022 (n=1000) // Q2 2022 (n = 1037) // Q1 2022 (n = 1016)

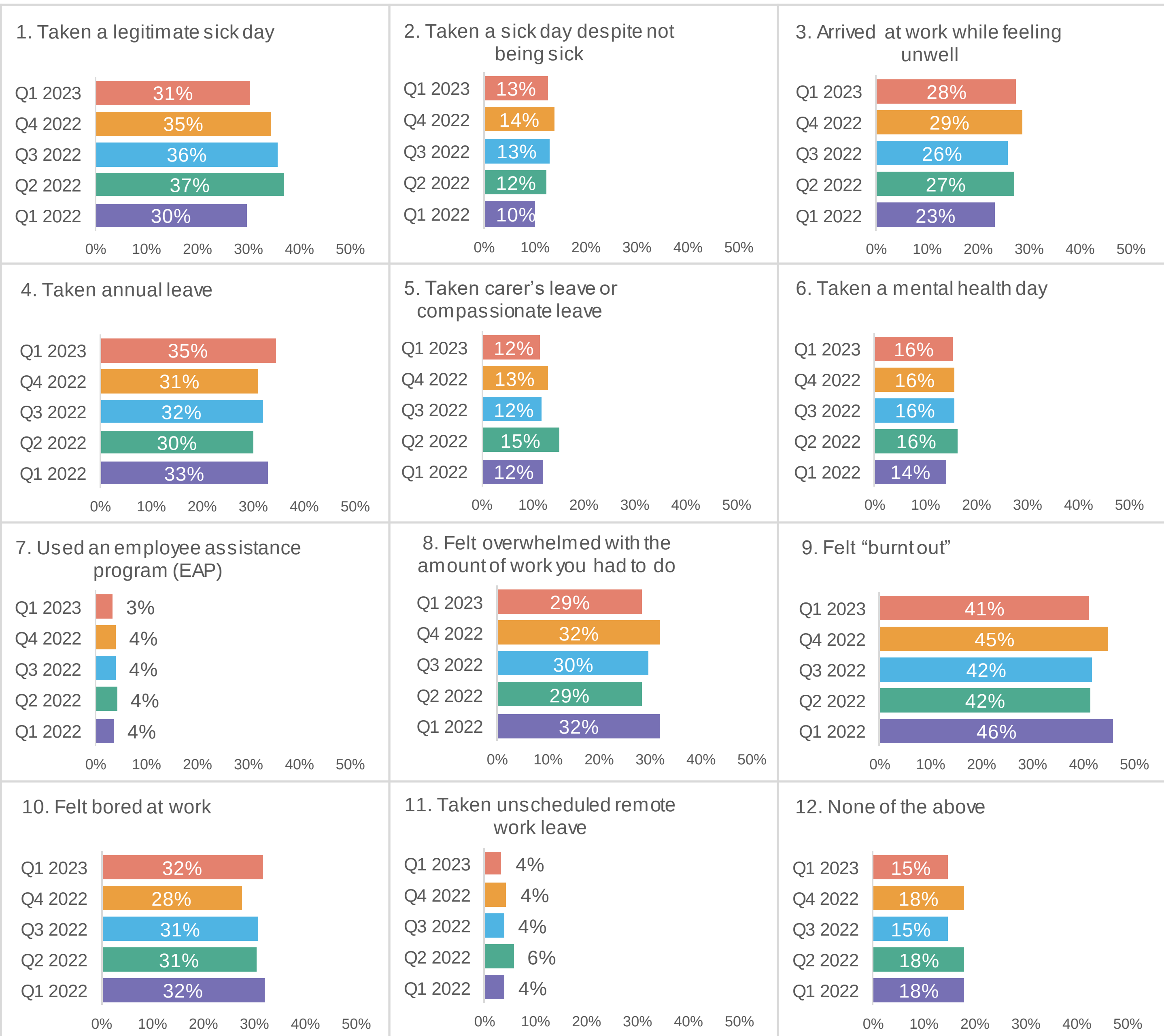
Worker wellbeing

Between January – March, the wellbeing indicators remained relatively stable with small declines in many of the metrics. It's positive to see less employees feeling burnt out and overwhelmed with the amount of work they have to do.

This could be due to the nature of the post-New Year period when many employees take extended periods of leave. As expected around this time of year, more employees took annual leave.

There was however an increase in the number of employees feeling bored at work. Gen Z is the most likely to have felt bored at work (49%; cf. Millennials 36%, Gen X 28%, Baby Boomers 15%) and the least likely to have taken annual leave (19%; cf. Millennials 39%, Gen X 38%, Baby Boomers 26%).

Meanwhile, one in six Australian workers have taken a mental health day in Q1, increasing further to a quarter of workers in Gen Z (27%; cf. Millennials 19%, Gen X 12%, Baby Boomers 6%).



Q3. Over the past three months have you...? Australian Workers Q1 2023 (n=1,002) // Q4 2022 (n=1014) // Q3 2022 (n=1000) // Q2 2022 (n = 1037) // Q1 2022 (n = 1016)

Worker mobility

The number of workers actively searching for a new role in another company has peaked at 20%, however the number who applied for a new role and interviewed for a new role were considerably smaller. Similarly, while 30% say they considered a career change only 5% made the leap.

It's possible the New Year spirit could be to blame, encouraging employees to look around at what else might be out there.

Gen Z were the most mobile when it came to their careers. They saw the highest level of workers who applied for a new role in a company (23%; cf. average 13%), interviewed for a new role in a new company (17%; cf. average 8%) and started a new job (19%; cf. average 8%).

None of the above:
Q1 2023 33%, Q4 2022 31%, Q3 2022 28%, Q2 2022 31%, Q1 2022 30%

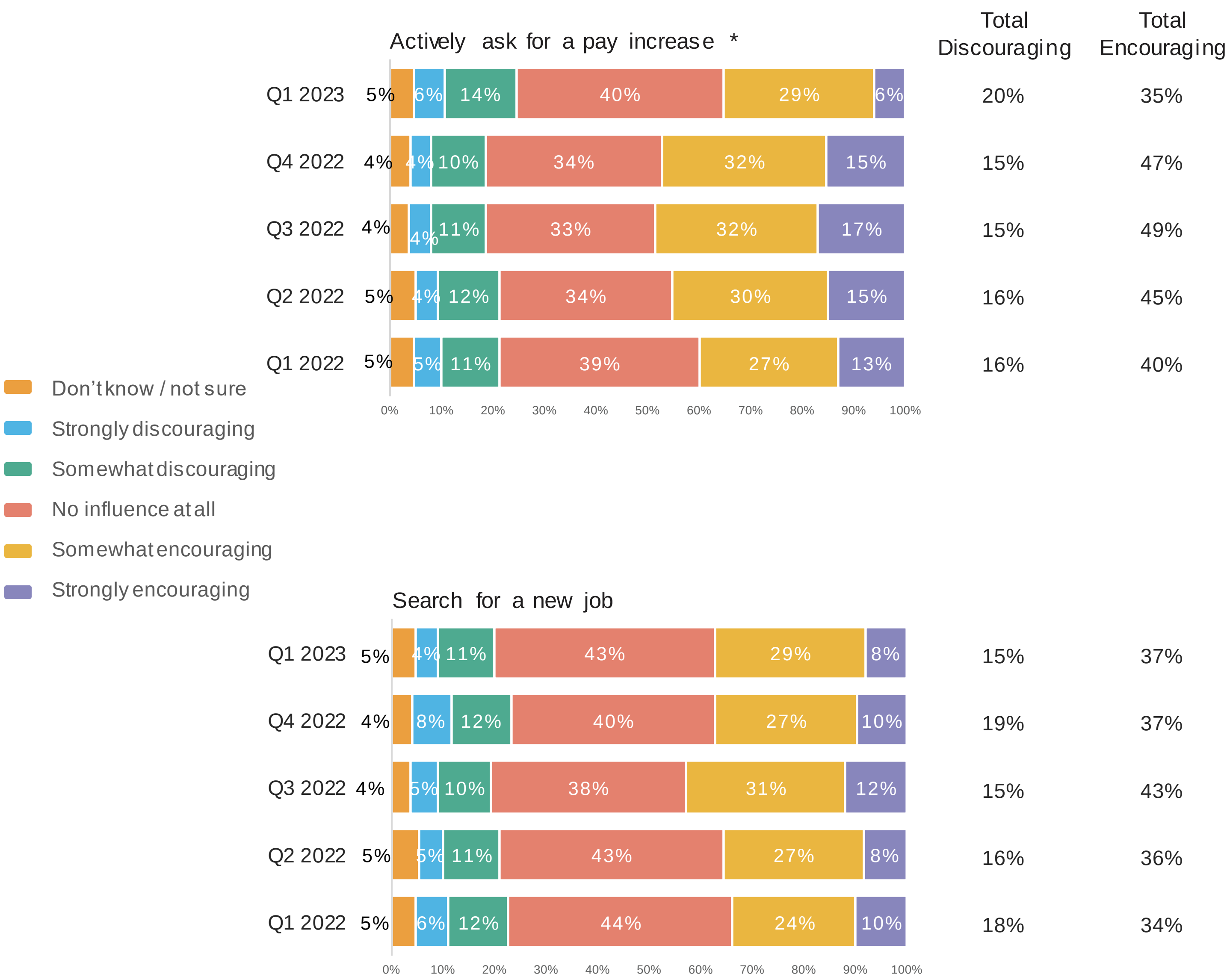
Q6. In the past three months, did you…? Australian Workers Q1 2023 (n=1,002) // Q4 2022 (n=1014) // Q3 2022 (n=1000) // Q2 2022 (n = 1037) // Q1 2022 (n = 1016)

Economy influencing decision making

Uncertainty around the economy is certainly impacting employees' perceived pulling power when it comes to salary. The lowest number of Australians are encouraged to actively ask for a pay rise since this time last year, with one in five now discouraged. These figures might be influenced by either the current economic situation or by a slight text change (see footnote).

Meanwhile Australian workers are just as encouraged to search for a new job now as they were at the end of last year. Encouragement is higher the younger the worker is (Gen Z 54%, Millennials 44%, Gen X 32%, Baby Boomers 12%).

Australia's very low unemployment rate and continued skills shortage could be one reason for the apparent confidence in finding a new job.



Q10. To what extent are current economic conditions encouraging or discouraging you to do the following? Australian Workers Q1 2023 (n=1,002) // Q4 2022 (n=1014) // Q3 2022 (n=1000) // Q2 2022 (n = 1037) // Q1 2022 (n = 1016)
* Code frame changed in Q1 2023 from "seek a pay increase" to "Actively ask for a pay increase"

Future of work

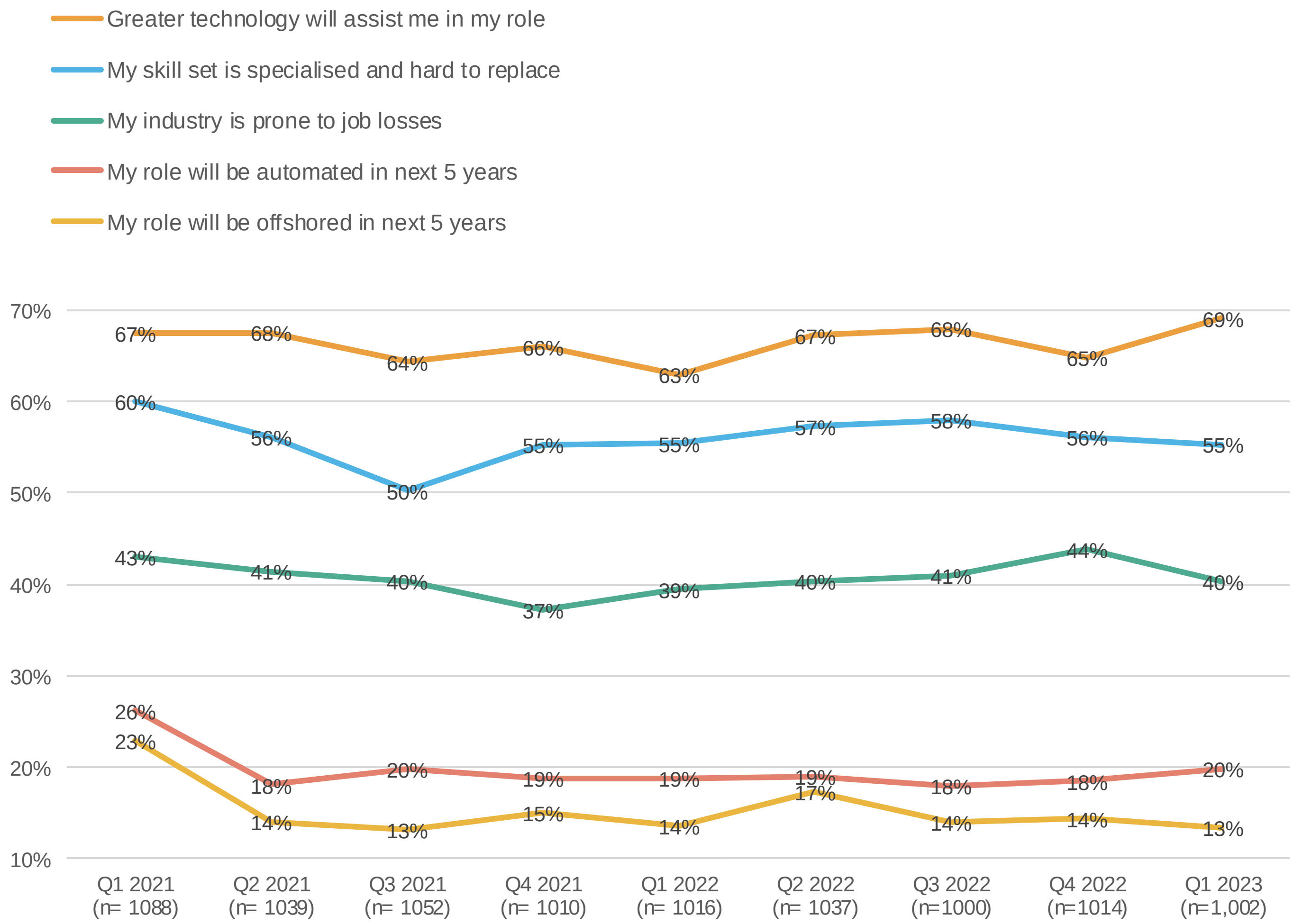
This wave of results is particularly interesting given the rapid uptake of ChatGPT and the ongoing buzz around how artificial intelligence will impact the future of work.

Australian employees are now more likely to believe that greater technology will assist them in their role, at just under 70% – the highest it has been since the survey began.

At the same time, a fifth of workers now believe their role will be automated in the next five years, which is a slight increase from last quarter but far less than when the survey began in April 2021 (26%).

The younger generations are most likely to say:

- Their roles are at risk of automation in the future (Gen Z 32%, Millennials 23%, Gen X 16%, Baby Boomers 12%).
- Technology will assist them in their role (Gen Z 74%, Millennials 70%, Gen X 69%, Baby Boomers 61%).



Agree and Strongly Agree

Q5. To what extent do you agree or disagree with each of the following statements? Australian Workers

Employee priorities

Among the top factors employees consider when choosing a new employer, remuneration and bonus payments/incentives remains top.

However, there is a big difference in the importance of salary when we look at different age groups. Gen X are the most likely to priority salary, with 60% ranking it within their top three. That drops to 27% of Gen Z, 46% of Millennials 46%, and 55% of Baby Boomers.

Meanwhile, stability and flexible/remote working continues to jostle for second and third with stability now being second and flexible/remote working now being third.

	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Remuneration and bonus payments / incentives	1st	1st	1st	1st	1st
Stability of an organisation	2nd	Tied 2nd	2nd	3rd	Tied 2nd
Flexible/Remote working	3rd	Tied 2nd	3rd	2nd	Tied 2nd
Culture of the organisation	Tied 4th	Tied 4th	5th	5th	Tied 4th
Easy and/or short commute	Tied 4th	Tied 4th	4th	4th	Tied 4th
Career development opportunities	6th	6th	6th	6th	6th
Professional learning opportunities	Tied 7th	7th	8th	8th	8th
The ethical standing/reputation of the organisation and leadership	Tied 7th	8th	7th	7th	7th
Wellbeing initiatives	9th	9th	9th	9th	9th
Diversity among employees/senior leadership team of the organisation	10th	10th	10th	10th	10th
Online or word-of-mouth employee reviews of the leadership	11th	11th	11th	11th	11th

Q9. Thinking about choosing a new employer, rank your top five most important factors from the list below . Australian Workers Q1 2023 (n=1,002) // Q4 2022 (n=1014) // Q3 2022 (n=1000) // Q2 2022 (n = 1037) // Q1 2022 (n = 1016)

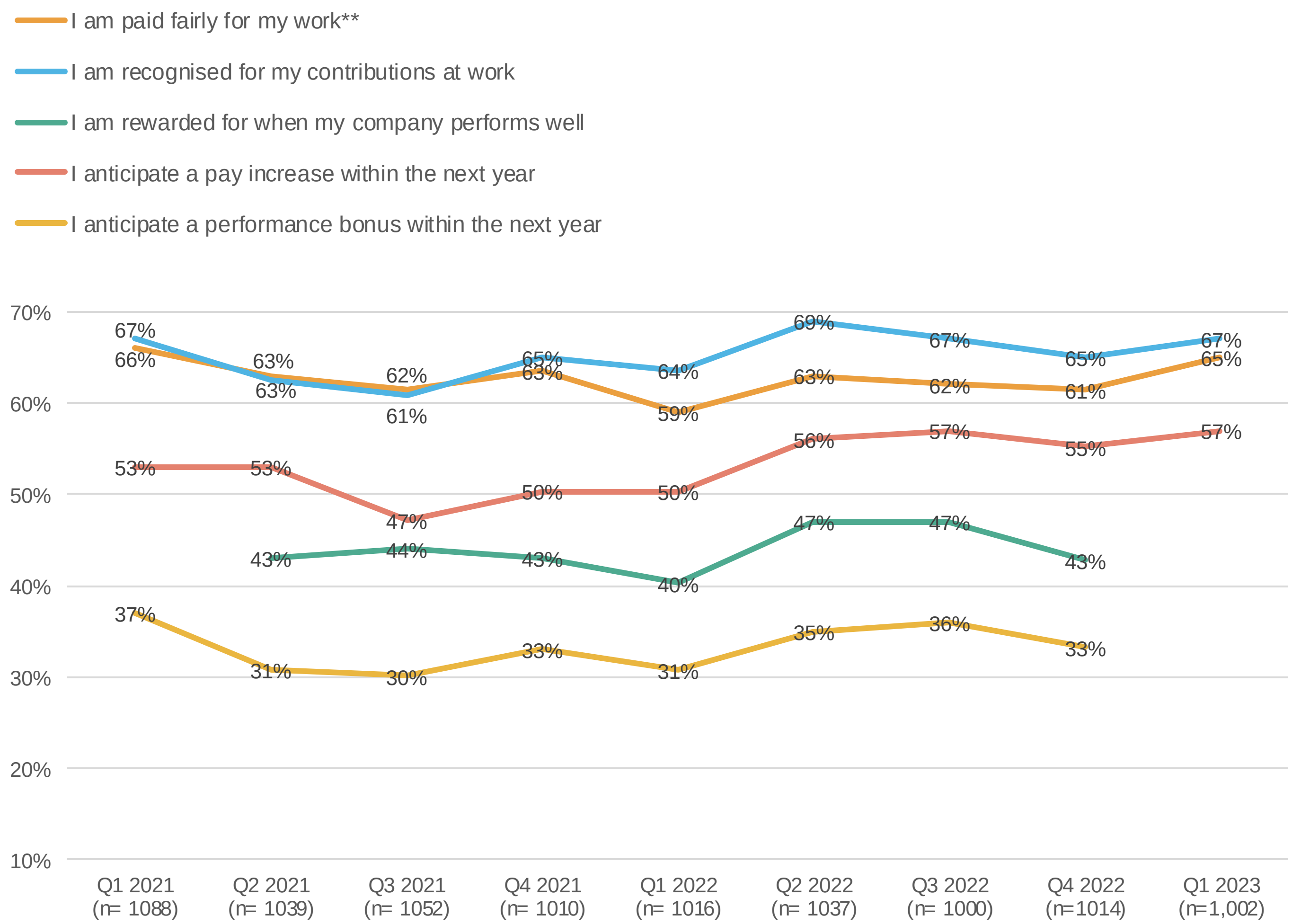
Recognition and remuneration

Employees in Australia appear to feel positive across the board in terms of how they are rewarded and recognised at work.

The number of employees who say they are paid fairly for their work increased to two thirds, almost as high as it was in Q1 2021. Gen Z and Baby Boomers are both the most likely to believe this (70%; cf. Millennials 62%, Gen X 65%).

The number of employees who anticipate a pay increase within the next year has increased again slightly to now be on par with the peak last year. Interestingly, the younger the worker the more likely they are to anticipate a pay increase (Gen Z 66%, Millennials 61%, Gen X 53%, Baby Boomers 49%).

Two thirds of workers agree they are recognised for their contributions at work which remains at a similar level to last quarter, However, men are more likely to say they feel recognised at work (70%; cf. Female 64%).



Agree and Strongly Agree

Q7. To what extent do you agree or disagree with each of the following statements? Australian Workers *Indicative only due to small sample size
** Question changed from "I am remunerated for my work fairly" to "I am paid fairly for my work"

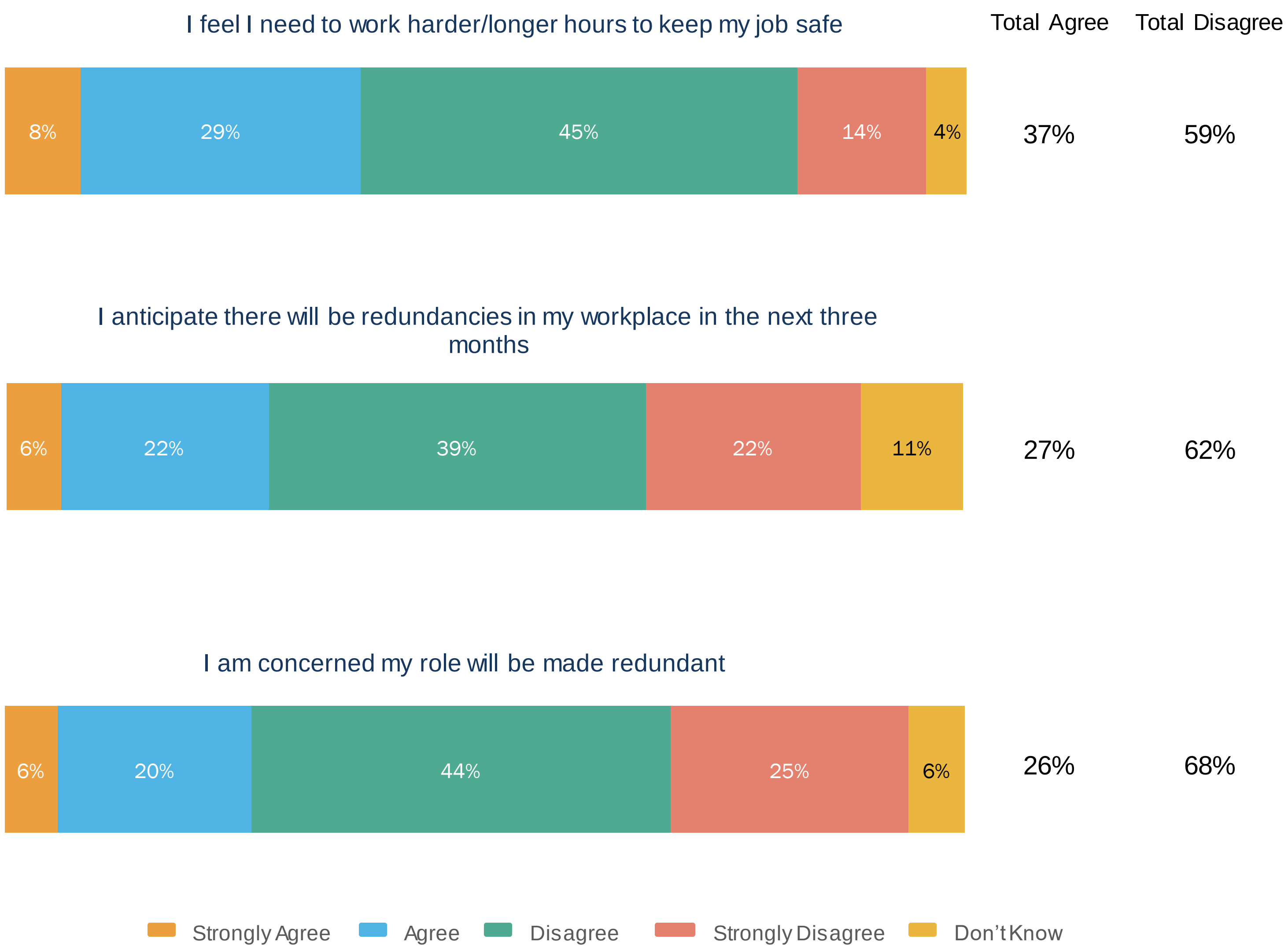
Recognition and remuneration (cont...)

This quarter, we introduced a new question within the recognition and remuneration section to deeper understand perceptions around job security and redundancy.

Over a third of Australian workers feel as though they need to work harder/longer hours to keep their job safe. Among Gen Z that number is even higher, increasing to over half of workers (54%; cf. Millennials 39%, Gen X 33%, Baby Boomers 24%).

Meanwhile, a quarter of workers anticipate that there will be redundancies in their workplace within the next three months or are concerned their own role will be made redundant.

Given the drop in levels of economic and job security employees are currently experiencing, it's no wonder a quarter of workers are bracing for impact later this year.



Q7. To what extent do you agree or disagree with each of the following statements? Australian Workers Q1 2023 (n=1,002)
*Indicative only due to small sample size

Trending Concerns

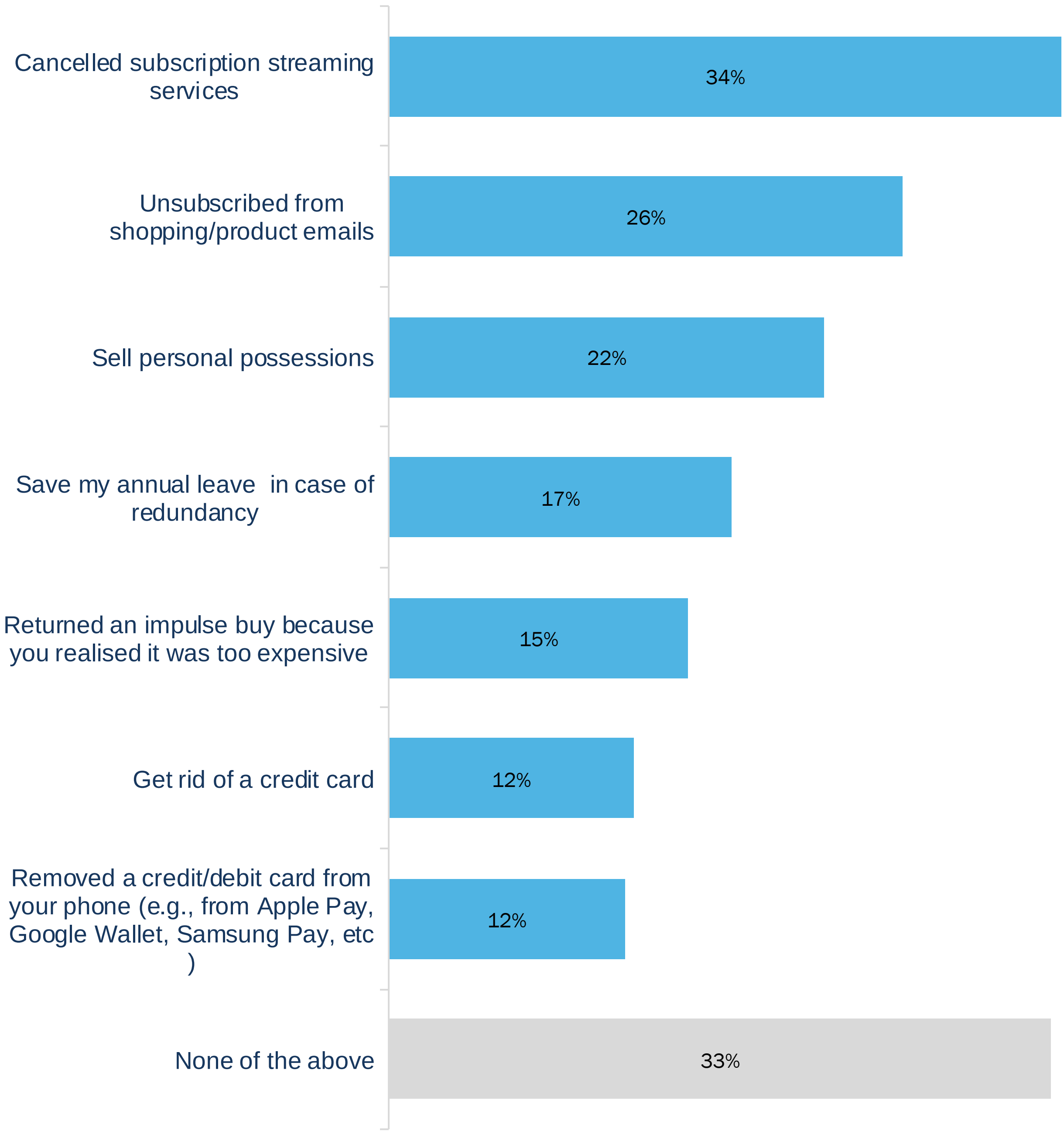
Coping with the rising cost of living

The economic situation in Australia is clearly impacting perceptions of security. So, what are workers doing about it?

Just over a third of Australian workers have cancelled subscription streaming services while a quarter have unsubscribed from shopping/product emails.

This increases to a third of female workers (33%; cf. Male 20%), and women are also more likely to have sold personal possessions (28%; cf. Men 17%) or to have returned an impulse buy because they realised it was too expensive (19%; cf. Men 11%).

A sixth of workers have saved their annual leave in the last three months in case of a redundancy, with that figure increasing to a fifth of salaried full-time workers (21%; cf. Full time wage 16%, Part time salary 13%, Part time wage 10%, Employed away from work 0%*, Casual 7%).



A1. In the last three months has the rising cost of living caused you to do any of the following? Australian workers (n = 1,002)

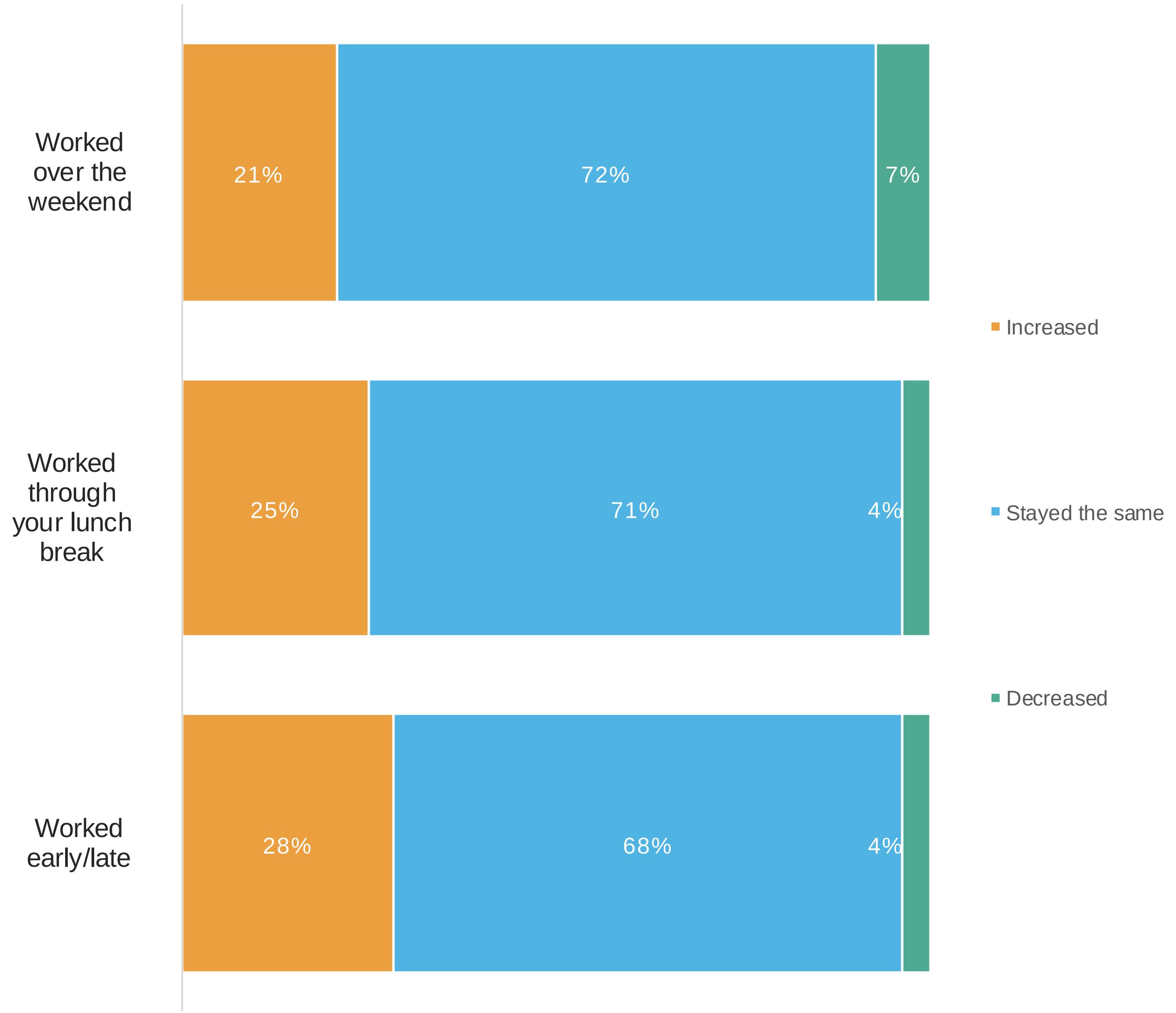
Extra hours

We've already seen that, compared to last quarter, employees are working more hours each week. Plus, almost four in ten employees feel they need to work harder to keep their job safe.

On top of that, we found over a quarter of workers have worked early/late more in the last three months with this peaking in female employees (34%; cf. Male 24%).

A quarter of workers say the number of times they have worked through their lunch break has increased throughout the last three months, with this also being higher in Female employees (31%; cf. Male 20%) .

Lastly a fifth of workers have increased the amount they have worked over the weekend with Gen Z being the most likely of any generation to do so (cf. 36% Millennials 22%, Gen X 19%, Baby Boomers 4%).



A2. In the last three months, has the number of times you've done the follow ing increased, decreased or stayed the same? Austalian Workers (n= 1,002)

Taking on extra responsibilities

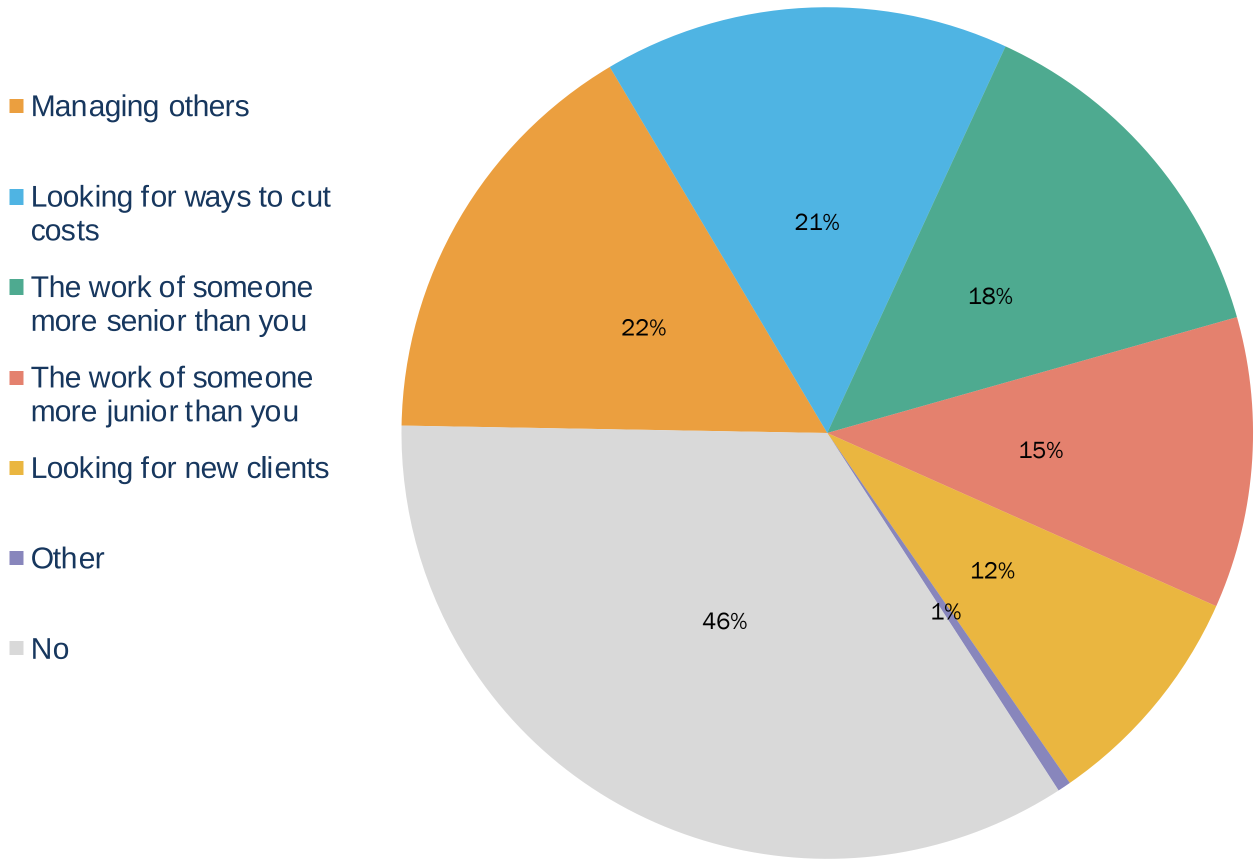
Over half of employees have taken on extra responsibilities that are not part of their job description in the last three months.

The most common way workers have absorbed this extra responsibility is either by managing others or by looking for ways to cut costs.

The younger generations are most likely to say they've begun managing others (Gen Z 26%, Millennials 25%; cf. Gen X 20%, Baby Boomers 15%).

This points to a trend of 'quiet hiring' where employees end up taking on extra responsibility without the acknowledgement of a new role or salary.

Almost a fifth of Australians have taken on the extra responsibility of doing the work of someone more senior than them, while a sixth are taking on the work of someone more junior.



A3. In the last three months have you had to take on extra responsibilities that are not part of your job description? Australian workers (n = 1,002)

Effects of the cost of living

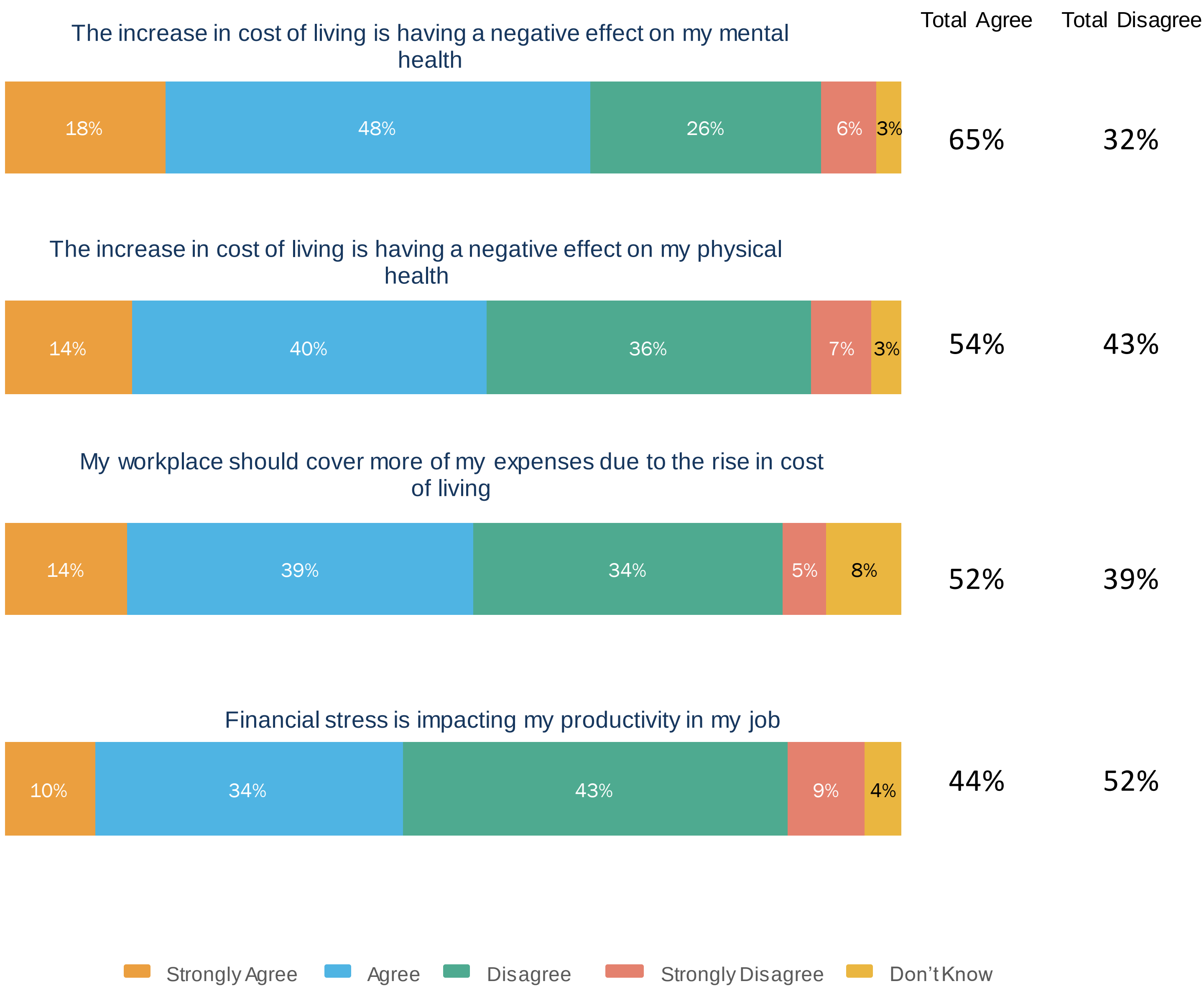
This wave of the Index has highlighted the actions employees are taking to reduce their outgoing expenses, but how is the cost-of-living crisis impacting their health?

The majority of Australian workers believe the increase in cost of living has had a negative impact on their mental health with almost a fifth strongly agreeing. Even more worryingly, that figure rises to almost three quarters for women (72%; cf. Male 59%).

Over half of employees have found that the increase in cost of living is having a negative effect on their physical health.

Just over half of workers believe their workplace should cover more of their expenses due to the rise in cost of living with three in five members of Gen Z and Millennials agreeing (Gen Z 61%, Millennials 60%; cf. Gen X 48%, Baby Boomers 31%).

Lastly over 40% of workers believe that financial stress is impacting their productivity at work.



A4. To what extent do you agree or disagree with each of the following statements? (n=1,002)

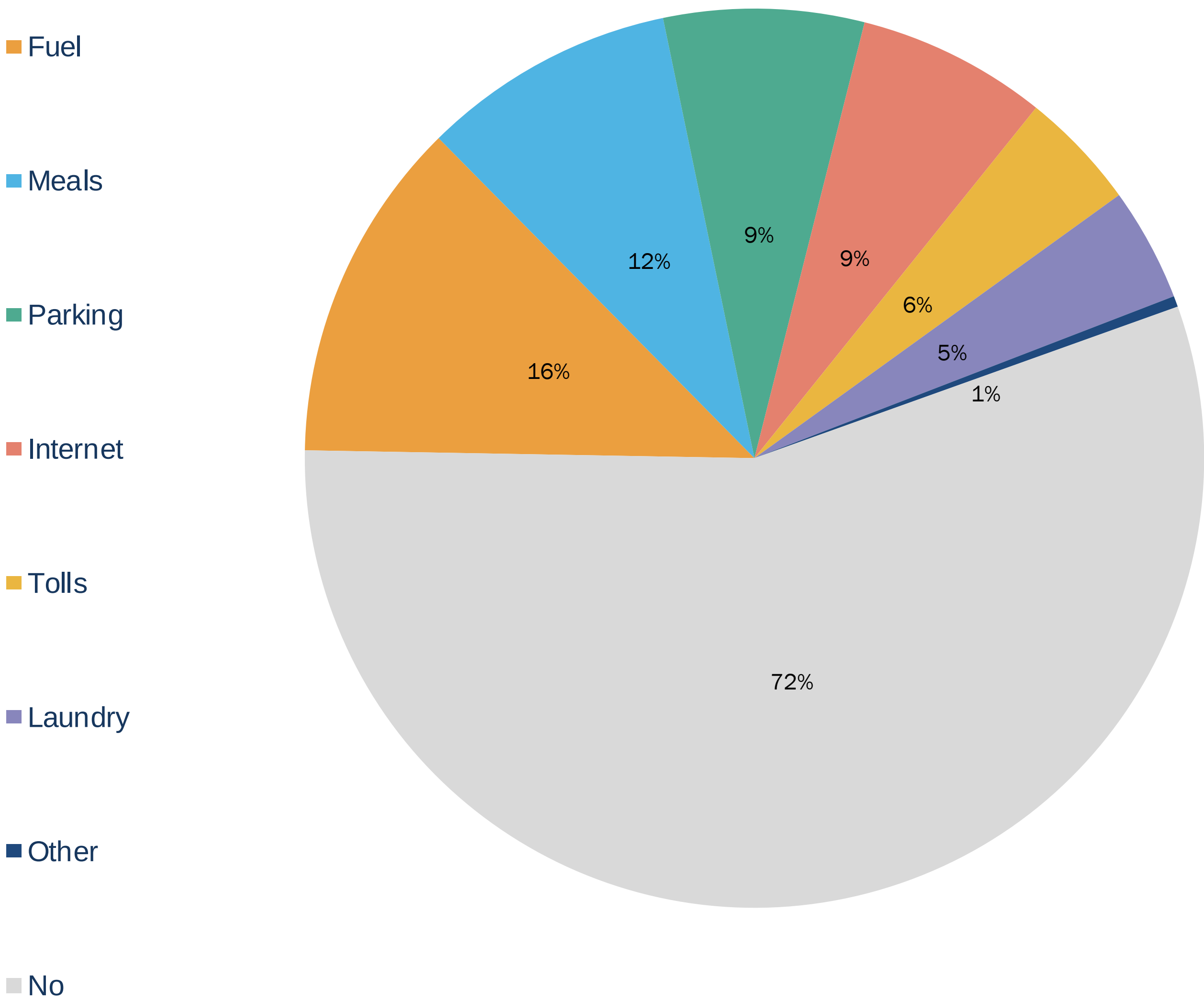
Covering cost of living expenses

While employees believe organisations should be doing more to offset the current cost of living, the majority of workers have not asked their employer to contribute to work-related expenses.

Of those who have requested financial support, a sixth of workers asked their workplace to cover the cost of their fuel, representing over a million and a half employees.

The next most common expense Australian workers have asked their workplace to cover is their meals with an eighth doing so.

While one in twenty have asked their workplace to cover the cost of tolls due to the rise in the cost of living. Anyone living in Sydney wouldn't be surprised to hear it's higher in NSW/ACT compared to other states (9%; cf. Vic 6%, TAS/NT 0%*. QLD 3%, SA 0%, WA 2%).



A5. Has the rise in cost of living caused you to ask your workplace to cover any expenses? Australian workers (n = 1,002)

About ELMO Software

ELMO Software is a leading provider of integrated, cloud-based HR technology operating in Australia, New Zealand and the UK. With over 3,000 customers, ELMO helps users to save valuable time, money, and resources by streamlining HR processes within one platform.

The highly configurable solutions can be tailored to meet each organisation's unique needs and workflows. What's more, our supportive implementation services and dedicated Account Managers help users to get the most from their ELMO platform and drive a greater return on investment.

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Onboarding

Start your new employee's journey with a personalised onboarding experience

Performance Management

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